

December 5, 1968

Lorillard Made Loew's Subsidiary

The 208-year-old Lorillard Corp. became a wholly owned subsidiary of Loew's Theatres, Inc. last Friday following approval of the merger by shareholders of both firms.

Loew's shareholders also voted approval of a proposal to split the company's common stock on a three-for-one basis, effective at the close of business on Wednesday, November 27.

The transaction calls for each share of Lorillard common stock to be exchanged for \$62 principal amount of 6 7/8 per cent subordinate debentures due 1993 of Loew's and in addition, giving effect to the Loew's stock split, one 12-year warrant for one share of Loew's common stock at a price of \$35 per share for the first four years, \$37.50 per share for the next four years, and \$40 per share for the final four years. The Loew's debentures may be applied at par in payment of the exercise price of the warrants.

The debentures will be listed on the New York Stock Exchange and the warrants will be listed on the American Stock Exchange.

Laurence A. Tisch, chairman of the board of Loew's, and Preston R. Tisch, chairman of the Loew's executive committee, will join Lorillard's board of directors.

Loew's board will be enlarged to

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include Manuel Yellen, Lorillard's board chairman; J. Edgar Bennett, president; William A. Jordan, executive vice president — sales; and Peter G. Levathes, vice president-advertising. Mr. Yellen will continue as board chairman and chief executive officer of Lorillard, and will be vice chairman of Loew's.

The unique merger is the first in-

stance of a major tobacco company's submerging itself within a non-tobacco firm, in this case one with sales less than a third as large as its own. In all previous cases of industry diversification, the tobacco company has been the acquiring firm.

In answer to questions as to why Loew's was the surviving company from the merger with the much bigger Lorillard, Mr. Yellen cited the "present uncertainties as to the future of the tobacco industry," indicating that Lorillard felt it would enjoy better growth opportunities by shedding its tobacco image. It is understood that as part of Loew's, Lorillard believes it will enjoy that firm's favorable image as a rapidly growing company with a good price-earnings ratio, and thus the attendant financial advantages whereas even as a highly diversified tobacco firm, its primary image would still be tobacco and, consequently, of much less glamor in the financial community.

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Liggett & Myers Uses Outdoor Advertising To Promote L&M Sports Cushion Offer



THIS IS ONE of many billboards promoting Liggett & Myers' free sports cushion premium in six markets of the Ohio Valley and Pennsylvania. L&M is reaching an estimated 500,000 consumers daily with the posters and plans to expand the campaign to northern markets. The bulletins offer the stadium cushion for 20 pack flaps of L&M Golden 100's, L&M Menthol 100's, or L&M king cigarettes. Introducing an L&M Porta-Panel at a Wheeling, W. Va., Kroger supermarket are (from the left) James Lamb, L&M regional sales representative; A. E. Brannon, L&M division sales supervisor; David Spurlock, Kroger manager; George Vesley, manager, Ohio Valley Advertising Corp.; Gary Davis and P. J. Pavlis, both L&M sales representatives. The campaign was created for L&M by Compton Advertising Inc. with co-ordinating assistance from Metropolitan Outdoor Network Inc.

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